

11/25/09 SUBSTITUTE RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

Presented by _____

Finance and Spending Plan for CCLRT - Streetscape

1
2
3 WHEREAS, the Metropolitan Council will construct the Central Corridor Light Rail Transit (“CCLRT”) line
4 through the City of Saint Paul (“City”) beginning in 2010; and
5
6 WHEREAS, the route for the CCLRT line has been duly established to run from an operations and maintenance
7 facility on Prince and Broadway Streets in Lowertown to the western border of the City, traveling down the
8 middle of 4th Street, Cedar Street, 12th Street, Robert Street and University Avenue; and
9
10 WHEREAS, municipal consent was granted by the City of Saint Paul for the construction of the CCLRT line
11 on March 18, 2009, subject to the provisions of a Memorandum of Understanding adopted on the same date;
12 and
13
14 WHEREAS, the project scope for the CCLRT construction includes relocation of public utilities and
15 reconstruction of the affected streets and sidewalks at project expense; and
16
17 WHEREAS, the City of Saint Paul believes that the CCLRT, which is projected to carry 44,000 riders a day,
18 represents a unique opportunity to spur economic and community development in neighborhoods along the line;
19 and
20
21 WHEREAS, experience from cities around the country demonstrates that the opportunity for transit related
22 development is enhanced by high quality public infrastructure, including pedestrian scale lighting, street trees,
23 and pedestrian amenities; and
24
25 WHEREAS, the City can expect a significant return on its investment in public infrastructure in the form of a
26 higher property tax base; and
27
28 WHEREAS, although the CCLRT project budget does not provide for the quality of public infrastructure that
29 the City believes is appropriate for the Corridor, the Metropolitan Council has agreed to include improvements
30 as additions to the project scope, to be constructed with the balance of the project, if the City is able to secure
31 the necessary financing; and
32
33 WHEREAS, the City has identified four potential financing sources: Capital Improvement Bonds, STAR
34 Program funds, related TIF district monies, and assessments from abutting property owners; and
35
36 WHEREAS, the City confirms its intention, as required under federal law, to reimburse the City for associated
37 costs for the CCLRT Project from proceeds of the future Special Assessment Bonds; and
38
39 WHEREAS, the City continues to seek financing from other sources including a request for State of Minnesota
40 bonding, Federal Transportation Enhancement Funds and CCLRT project contingency funds that are expected
41 to be released at various points during project construction and may be used to finance proposed improvements;
42 and
43

44 WHEREAS, the City believes it prudent to: identify and adopt the Finance and Spending Plan for Central
 45 Corridor – Streetscape, as attached in Exhibit A, in the 2010 Capital Improvement Budget and Program, with
 46 the understanding that specific actions will have to be taken related to each financing source, including the
 47 amendment of individual TIF plans, review and comment by the CIB Committee and STAR Board, and the
 48 adoption of a final order and ratification of assessments and the sale of General Obligation Special Assessment
 49 bonds; now, therefore be it

50
 51 RESOLVED, that the City Council confirms, as required under federal law, to reimburse the City for associated
 52 costs for the project from proceeds of the future Special Assessment Bonds; and be it further

53
 54 RESOLVED, that the City Council directs City staff to negotiate with the Metropolitan Council to include in
 55 the CCLRT Project budget \$3,100,000 for median improvements necessary to ensure public safety and enhance
 56 the economic development potential of the Corridor; and be it finally

57
 58 RESOLVED, that the City Council adopts the Finance and Spending Plan for Central Corridor – Streetscape, as
 59 attached in Exhibit A, in an amount not to exceed \$18,765,430.
 60

	Yeas	Nays	Absent
Bostrom			
Carter			
Harris			
Helgen			
Lantry			
Stark			
Thune			

Requested by Department of:

By:

Approved by the Office of Financial Services

By: _____

Approved by City Attorney

By: _____

Approved by Mayor for Submission to Council

By: _____

Adopted by Council: Date _____

Adoption Certified by Council Secretary

By: _____

Approved by Mayor: Date _____

By: _____

November 18-25, 2009

EXHIBIT A (REVISED)

Finance and Spending Plan for Central Corridor - Streetscape

The Mayor's 2010 Proposed Capital Improvement Budget and Program includes ~~\$22,327,330~~ \$18,765,430 for this multi-year project to enhance the streetscape along the 5.5 mile light rail route from Union Depot in Downtown to the western border of Saint Paul along University (see Map – Attachment I).

City staff recommends the following Finance and Spending Plan for the Central Corridor-Streetscape (see Finance Plan for Central Corridor – Streetscape – Attachment II).

Sources:

1. CIB 2010: **\$500,000**
2011: **\$1,500,000**
2. Neighborhood STAR (2010-2013). **\$1,200,000** (\$300,000 per year.)
3. Net TIF (2010 – 2013) ~~\$15,182,330~~ \$12,665,430 over four years to minimize need for interim borrowing costs and further reduce size of Assessment Bonds after TIF Plans are amended as described below. The gross amount of TIF being used is ~~\$17,768,267~~ \$14,210,000. Upon completion of the project, TIF will be reimbursed ~~\$2,585,937~~ \$1,544,570.
4. G.O. Assessment Bonds (2013) ~~\$3,945,000~~ \$2,900,000 Assessments bonds issued at the completion of the Project.

See Attachment III for the final financing sources. If there are project savings up to \$3.1 million, savings will be shared 80/20 between TIF and G.O. Assessment Bonds financing. Any savings over \$3.1 million will require a financing plan amendment.

Funding Agreement. The Central Corridor Project is being awarded under multiple Metropolitan Council Contracts and these streetscape enhancements will be paid for through a Master Funding Agreement and related Supplemental Agreements between the Metropolitan Council and the City. An estimated \$750,000 of non-transit related streetscape enhancements will be handled separately by the City/HRA.

Future Sources To the extent the City receives outside source(s) of financing including, but not limited to, state and federal grants, the sources that are permitted to be used to pay for streetscape enhancements ~~the sources above~~ will be amended.

TIF Plan Amendments In order to implement this finance plan, the HRA will amend three TIF plans to permit the use of TIF under State law and the Funding Agreement between the Met Council and the City will need to include language to legally permit the use of TIF after the approval of the amended TIF Plan and Budget Amendment.

Outside Review/ Amendments

In the next 90 days the CIB Committee and Neighborhood STAR Board will review and comment on the Finance and Spending Plan for the Central Corridor-Streetscape. To the extent other local sources become available over the multi-year project this Finance Plan will be amended.

Preliminary Schedule

November 18, 2009 – City Council Finance Plan For Central Corridor – Streetscape resolution adoption.

~~November 30, 2009 – Draft TIF plan sent to Ramsey County and SPPSD #625.~~

December 9, 2009 – Review and comment by STAR board

December 14, 2009 – Review and comment by CIB Committee

December 16, 2009 – 2010 Capital Improvement Budget adopted (including CCLRT Financing).

January 6, 2010 – Public Hearing on TIF Plan Amendments, Preliminary Final Order to for authorize Aassessment Bonds financing

January 20, 2010 – Public Hearing on the TIF Plan Amendments

Attachments

Attachment I - LRT Map

Attachment II - Spending Plan for the Central Corridor – Streetscape (Revised)

Attachment III - Net TIF and G.O. Assessment Bonds amounts

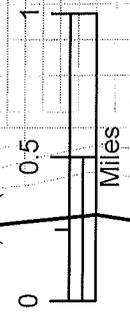
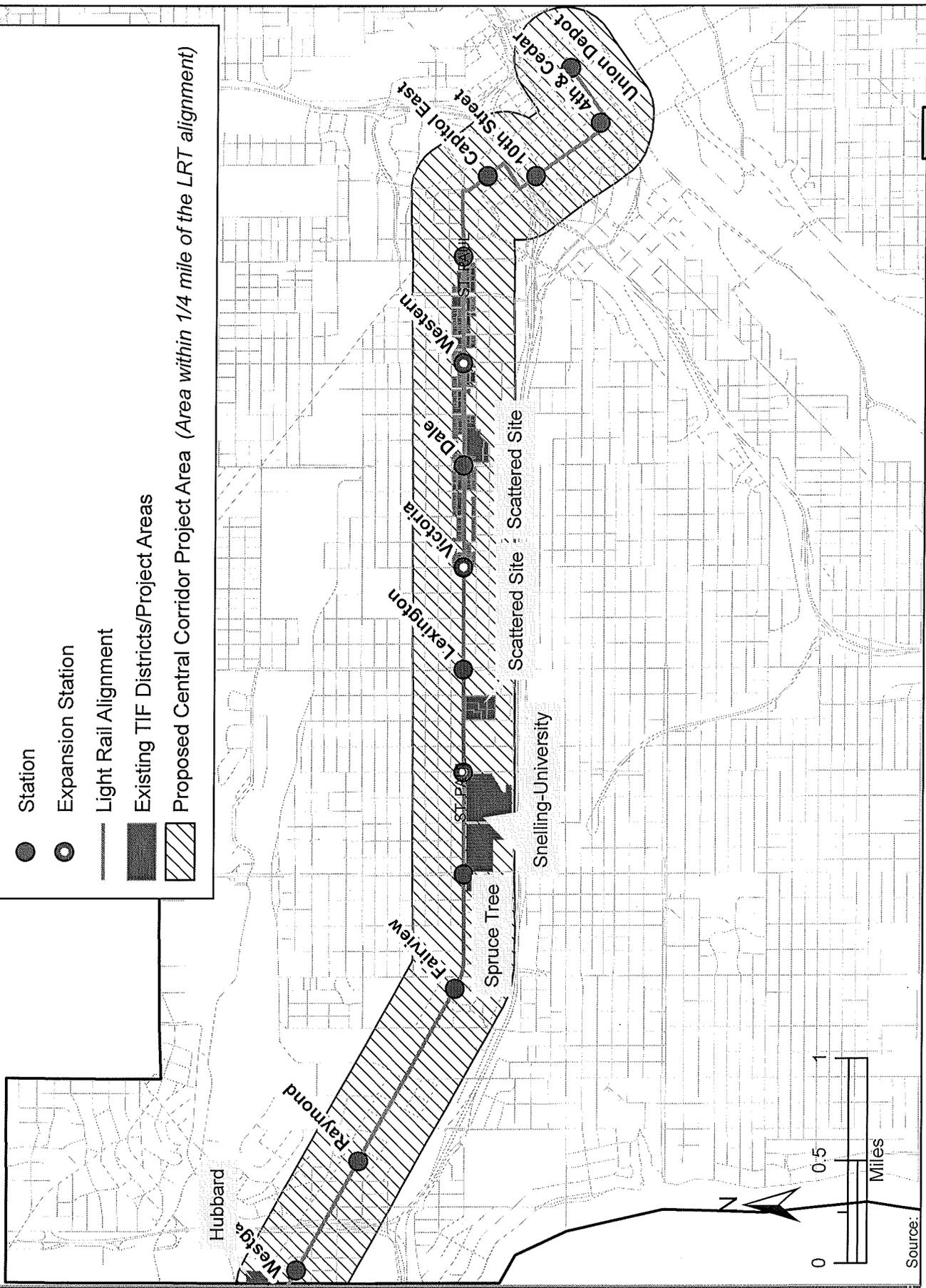
Central Corridor Project Area



K:\GIS\GIS - Kaleb\Central Corridor\TIF\Districts\etter.mxd

Legend

- Station
- Expansion Station
- Light Rail Alignment
- Existing TIF Districts/Project Areas
- ▨ Proposed Central Corridor Project Area (Area within 1/4 mile of the LRT alignment)



Source:

Finance and Spending Plan for Central Corridor Streetscape
Revised Budget Scenario
Revised 11-25-2009

SOURCES	Original Plan	Revised Plan	Change
	11/18/2009	Medians Out 11/25/2009	from Original
CIB (2010)	\$500,000	\$500,000	\$0
CIB (2011)	\$1,500,000	\$1,500,000	\$0
STAR	\$1,200,000	\$1,200,000	\$0
Net TIF (2010-2013)	\$15,182,330	\$12,665,430	(\$2,516,900)
GO Assessment Bonds (2013)	\$3,945,000	\$2,900,000	(\$1,045,000)
TOTAL SOURCES	\$22,327,330	\$18,765,430	(\$3,561,900)
<i>Total Assessable Costs</i>	<i>\$9,611,180</i>	<i>\$5,116,180</i>	
<i>Percent Covered by GO Assessment Bonds</i>	<i>41%</i>	<i>57%</i>	
USES	Original Plan	Revised Plan	Change
	11/18/2009	Medians Out 11/25/2009	from Original
<u>University Avenue Streetscape</u>			
Lighting (recent cost reduction)	\$1,900,000	\$400,000	(\$1,500,000)
Street trees, structural soil	\$3,700,000	\$3,700,000	\$0
Boulevard pavers	\$600,000	\$600,000	\$0
Special paving (signalized crosswalks)	\$2,400,000	\$2,400,000	\$0
Special paving (intersection corners)	\$300,000	\$300,000	\$0
Median improvements	\$2,400,000	\$0	(\$2,400,000)
Median Irrigation	\$700,000	\$0	(\$700,000)
Parking Improvements/Mitigation	\$0	\$1,500,000	\$1,500,000
Sidewalk furnishings	\$600,000	\$600,000	\$0
Upgraded overhead contact system poles	\$1,000,000	\$1,000,000	\$0
Subtotal University Avenue	\$13,600,000	\$10,500,000	(\$3,100,000)
<u>Downtown Streetscape</u>			
4th Street lighting	\$52,430	\$52,430	\$0
4th Street boulevard pavers	\$50,000	\$50,000	\$0
4th Street upgraded OCS poles	\$67,000	\$67,000	\$0
Guideway Safety Elements	\$185,000	\$0	(\$185,000)
Cedar Street trees, structural soil, irrigation	\$295,000	\$295,000	\$0
Cedar Street sidewalk pavers	\$55,000	\$55,000	\$0
Cedar Street lighting (globe)	\$260,000	\$260,000	\$0
Cedar Street upgraded OCS poles	\$60,000	\$60,000	\$0
Cedar & 4th Enhancements/connections	\$2,168,000	\$2,168,000	\$0
Subtotal Downtown	\$3,192,430	\$3,007,430	(\$185,000)
Fiber Conduit - University Ave/Downtown	\$256,000	\$0	(\$256,000)
Station (Western, Victoria or Hamline)	\$5,200,000	\$5,200,000	\$0
Subtotal Project Costs	\$22,248,430	\$18,707,430	(\$3,541,000)
Costs of Issuance	\$78,900	\$58,000	(\$20,900)
TOTAL USES	\$22,327,330	\$18,765,430	(\$3,561,900)

**\$18.7M Project Costs - 11/25/2009
Finance and Spending Plan for Central Corridor - Streetscape**

	2009	2010	2011	2012	2013	2014	2015	2016	Total
USES - Public Improvements, Station, Financing									
Assessable Costs (University/Downtown)	\$0	\$102,430	\$2,581,250	\$2,432,500	\$0	\$0	\$0	\$0	\$5,116,180
University Improvements not being assessed (does not include station)	\$0	\$0	\$1,387,500	\$1,387,500	\$0	\$0	\$0	\$0	\$4,375,000
Downtown Improvements not being assessed	\$0	\$0	\$2,516,250	\$0	\$1,600,000	\$0	\$0	\$0	\$2,516,250
Extra Station (University)	\$0	\$0	\$5,200,000	\$0	\$0	\$0	\$0	\$0	\$5,200,000
Fiber Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Improvements/Mitigation	\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
SUBTOTAL - Public Improvements, Station	\$0	\$1,602,430	\$11,685,000	\$3,820,000	\$1,600,000	\$0	\$0	\$0	\$18,707,430
Professional Services, Financing and Debt Service Costs									
Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payments - Short Term Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Short Term Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Costs of Issuance	\$0	\$0	\$0	\$0	\$58,000	\$0	\$0	\$0	\$58,000
Payback TIF Balance \$ 1,544,570	\$0	\$0	\$0	\$0	\$1,544,570	\$0	\$0	\$0	\$1,544,570
SUBTOTAL - Financing & Debt Service costs & Payback	\$0	\$0	\$0	\$0	\$1,602,570	\$0	\$0	\$0	\$1,602,570
Total Uses (Gross)									
Less Repayment of TIF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses (Net)	\$0	\$1,602,430	\$11,685,000	\$3,820,000	\$3,202,570	\$0	\$0	\$0	\$18,765,430
SOURCES - Public Improvements, Station and Financing									
Beginning Balance	\$0	\$0	\$697,570	\$2,570	\$2,570	\$0	\$0	\$0	\$20,310,000
CASH									
CIB (2 projects in 2010 & 2011 - no offstreet parking for \$525,000)	\$0	\$500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000
STAR									
Use of TIF									
DEBT Proceeds									
Bridge Loan (Short Term) \$ -									
Assessment Bonds \$ 2,900,000									
Total Sources (Gross)	\$0	\$2,300,000	\$10,990,000	\$3,820,000	\$3,202,000	\$0	\$0	\$0	\$20,310,000
Less Repayment of TIF									
Total Sources (Net)	\$0	\$2,300,000	\$10,990,000	\$3,820,000	\$3,202,000	\$0	\$0	\$0	\$18,765,430
Ending Balance	\$0	\$697,570	\$2,570	\$2,570	\$0	\$0	\$0	\$0	\$0
Sources over Uses									
									\$0

Long Term GO Assessment Bonds	
Long Term (Issued in 2013)	
Principal	\$ 2,900,000
Rate	6.00%
Term (yrs)	20
Annual DS	\$ 250,922
Assessment Payments (100%)	\$ 250,922
Required Levy	\$ -
Cost of Issuance	\$ 58,000

USE OF TAX INCREMENT					
	2010	2011	2012	2013	2014-2016
Available \$	15,047,549	\$ 1,516,650	\$ 1,542,978	\$ 1,582,373	\$ 3,977,831
Used Above \$	1,500,000	\$ 9,190,000	\$ 3,520,000	\$ (1,544,570)	\$ -
Balance \$	13,547,549	\$ 587,419	\$ 3,897,176	\$ 7,024,119	\$ 11,001,950
Net TIF Used	\$ -	\$ 12,665,430	lowest balance		